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J. R. Gray
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Mark S. Brown
Deputy Secretary

Dwight T. Lovan
Commissioner

MEMORANDUM

TO: All Insurance Carriers, Self-Insured Employers, Group Self-Insureds,
Regulated Facilities and Medical Bill Vendors

FROM: Dwight T. Lovan, Commissioner
Department of Workers' Claims

DATE: April 1, 2009

SUBJECT: 803 KAR 25:091 Hospital Fee Schedule

Pursuant to 803 KAR 25:091, the Kentucky Department of Workers' Claims is required to calculate adjusted cost-to-charge ratios for hospitals each calendar year. Enclosed is a list of revised cost-to-charge ratios to be applied to all hospital bills submitted for services rendered on or after April 1, 2009.

To apply the hospital fee schedule, payors should review the UB-40, formerly the UB-92, billing form and documentation to ensure that charges arise from treatment of a compensable injury and do not include other miscellaneous errors. Once that has been done, the amount billed is then multiplied by the hospital's adjusted cost-to-charge ratio. This yields the amount due from the carrier or self-insured employer.

There is pending modification to the hospital fee schedule. Upon approval of regulatory changes a new cost to charge ratio will be immediately provided to all interested parties.

If you have any questions, please contact Carole Jacobs (502-564-5550, x4445) or Pam Knight (502-564-5550, x4449).

Enclosure

cc: Lucretia Johnson, Director
Division of Ombudsmen & Specialist Services

